

RESOLUTION NO. 4128

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF WESTMINSTER, RESCINDING RESOLUTION NO 3836 AND ADOPTING ADMINISTRATIVE RULES AND REGULATIONS FOR THE CITY WATER SYSTEM PURSUANT TO THE MUNICIPAL CODE

THE MAYOR AND CITY COUNCIL OF THE CITY OF WESTMINSTER DO HEREBY RESOLVE AS FOLLOWS:

The water rate structure of the City of Westminster is hereby revised as follows:

SECTION 1. WATER RATES AND CHARGES FOR WATER SERVICES

Except as otherwise provided, all water rates and charges shall be set by the Mayor and City Council by separate resolution. The rates, charges and surcharges provided in this section shall be effective January 1, 2008, for all water billings from that date. Each water service bill shall consist of a fixed customer charge and a variable water commodity charge.

- A. CUSTOMER CHARGE. The fixed customer charge per account shall be the sum of the service charge plus the meter charge. The service charge shall be at a rate of \$10.41 bi-monthly for each and every customer account. The meter charge shall be at a rate defined by the size of the water meter, as detailed in Chart "A".

CHART "A"

<u>METER SIZE</u>	<u>BI-MONTHLY METER RATE</u>
3/4" or less	\$11.56
1"	\$28.90
1-1/2"	\$57.82
2"	\$92.49
3"	\$185.01
4"	\$289.07
6	\$578.08

The variable commodity rate component shall be as provided in Section "B".

- B. WATER COMMODITY CHARGE. The variable water commodity rate shall be based upon the volume of water consumed, as measured by metering or as calculated by the City Engineer. The commodity rate for water service shall be charged per 100 cubic feet (CCF) of water. The

Basic Commodity Rate for water shall be \$1.36 per CCF.

- (1) However, for single family dwelling residential customers as defined in Westminster Municipal Code Section 17.04.190, the water commodity rate shall be as follows:

Usage Level	Bi-monthly Usage (CCF)	Unit Rate (\$ per CCF)
Tier 1	1-14	\$0.57
Tier 2	15-28	\$1.36
Tier 3	29 or over	\$2.71

- (2) However, for residential dwelling unit customers as defined in Westminster Municipal Code 17.04.210 other than single family dwelling unit customers, the water commodity rate shall be at the Basic Commodity Rate per CCF for the first 28 water units of averaged bi-monthly water usage per individual family unit and at the Tier 3 rate per CCF for usage above that amount. (Total water usage for the two-family or multi-family complex from each meter (excluding separate irrigation meters) shall be divided by the number of individual family units for this billing rate evaluation. If the units are separately metered per each family dwelling unit, they will be charged the same water commodity charge as single family dwelling residential customers.)

C. OUTSIDE CITY SURCHARGE. For customers serviced outside the City, an outside City surcharge of 13% will be applied to the rates and charges.

D. AUTHORIZED RATE AND CHARGE ADJUSTMENTS.

- (1) Rates, charges and surcharges shall be set by the Mayor and City Council, after a public hearing, at least once per year and, except as hereinafter defined, may not be changed except by the Mayor and City Council action after a noticed public hearing.
- (2) Rates, charges and surcharges shall be adjusted annually to coincide with the calendar year.
- (3) Any penalties provided for in any emergency water management plan adopted by the Mayor and City Council shall not affect the basic rate.
- (4) So long as debt financing remains outstanding with a lien on net revenue of the utility, the authorized adjustment shall also include rate increases adequate to maintain the following:

- (a) "Net revenue" as required by debt instrument;
- (b) One year operating reserve;
- (c) Reasonable capital replacement reserve;
- (d) Rate stabilization reserve; and
- (e) Payments associated with investor-owned utilities, such as franchise fees and property taxes assessed at full value of land and improvements

## SECTION 2. SPECIAL APPLICATIONS

- A. **ADJUSTMENT OF RATES.** In order to assure equity, and after investigation of the facts relating to a dispute of the charges by any consumer, the Finance Director may adjust and grant rebates from rates and charges herein, provided the Finance Director determines that such adjustment is reasonable and justified.
- B. **AUTHORIZED CHARGES.** The water system is intended to be a fully self-supporting "Enterprise Fund" operated by the City. "Fully self-supporting" is intended to mean that fees and charges will be set to recover all authorized and budgeted costs, including:
  - 1. Water purchase and pumping costs;
  - 2. Utility costs required to operate the utility;
  - 3. Personnel costs associated with Water Enterprise staff;
  - 4. Prorated costs associated with the City's insurance, maintenance, equipment repair and replacement, as well as costs for maintaining and replacing the City's computer system.
  - 5. Personnel costs associated with General Fund staff assigned to provide water system support services, prorated to time spent in support of water activities;
  - 6. General administrative charges by the City, not to exceed 10% of utility revenue;
  - 7. Charges assessed to investor-owned utilities at rates not to exceed those charged to investor-owned utilities;
  - 8. Depreciation costs;
  - 9. Reasonable capital replacement reserve;
  - 10. Rate stabilization fund;
  - 11. Any covenants and conditions associated with public financing(s) as may be necessary to maintain and improve the water system;
  - 12. Accrued charges for General Fund services not paid in the budget year assessed; and

13. Other costs and services directly associated with utility operation and adopted by the Mayor and City Council.
- C. **ACCRUED CHARGES.** General Fund charges for personnel and administrative costs, as well as charges assessed in lieu of taxes otherwise paid by investor-owned utilities shall, to the extent possible, be paid in the budget year assessed. In the event the Finance Director determines that financial circumstances limit or prohibit such payments, any balance remaining unpaid at year end shall be recorded as an obligation of the Water Fund, to be repaid, along with interest accrued at the City's cost of funds, at a future time which, in the opinion of the Finance Director, is more financially reasonable.
- D. **VACANCIES.** In case a unit served by a meter becomes vacant, the regular minimum billing charge shall be charged and collected from the owner thereof, whether water is used or not, unless the Water Division is requested to cut off the water service there from.
- E. **BILLING ESTIMATES FOR METER FAILURE.** If a meter fails to register during any period, or is known to register inaccurately, the City may estimate the water charge by using an average daily consumption according to the season as shown by the meter when in use and registering accurately or, if there are no accurate records on file, a reasonable estimate.
- F. **METER TEST AS CONSUMER REQUEST.** If a consumer requests a meter test in accordance with Westminster Municipal Code Section 13.08.79, the City may require a \$145 deposit. Such deposit will be refunded if the meter proves inaccurate beyond a 5% tolerance rate.
- G. **TEMPORARY SERVICE.** Application shall be made to the Water Division for any temporary service for water from lines, hydrants or water stands, and shall be granted only to applicants holding a valid City business license. Installation, removal and deposit fees shall be charged in accordance with the current City Schedule of Fees and Charges for Hydrant Meter Rental. The water usage billing for such services shall be charged at the rate of 1.1 (110%) of the basic commodity rate per one hundred (100) cubic feet. If, in the determination of the Water Division, the setting of a meter is impractical or uneconomical for the supply of construction water, an estimate of the water to be used shall be made by the Water Division and charges shall be required at the same rate of 1.1 (110%) of the basic rate per one hundred (100) cubic feet. The minimum water commodity charge for temporary water service shall be not less than \$43.20 per month.

- (3) Other City Charges. The City may add charges over sixty (60) days past due from other City accounts and charges to the customer's water account, and terminate water service until all such past-due amounts are paid.

- H. SPECIAL HANDLING BASED ON PAYMENT HISTORY. Customers with no water service payment delinquencies over the previous six billing periods shall not have service discontinued for a delinquent water payment. The delinquent amount is to be carried forward to the next bill.

After being turned off for a delinquent water service payment, it shall be necessary for six consecutive billings with timely payments to be restored before a billing is to be carried forward again.

## SECTION 5. METER AND FIRE CHARGES

The City shall charge and collect, in advance, for each water connection made with its water system in accordance with the adopted fees and charges of the City.

- A. PRIVATE FIRE PROTECTION SERVICE. The City will assess approved charges to customers served by the Utility for private firelines, used exclusively for fire protection, whether said lines are connected with automatic sprinkling systems or private fire hydrants.

- (1) Fire Service Installation: Labor charges shall be in accordance with the current City Fees and Charges Schedule, plus applicable meter and material charges, if any.
- (2) Fire Service Usage:
- a. Fire Service Charge: The Fire Service Charge for private fire lines shall be the sum of the fire service Customer Charge and the Water Commodity Charge.
- b. The Customer Charge for providing fire service is calculated at the rate of \$0.594 per month multiplied by the number of equivalent meters (EM's) and shall be as follows:

<u>Service Size (EM's)</u>	<u>Bi-monthly Charge</u>
2" (8)	\$9.50
4" (25)	\$29.70
6" (50)	\$59.40
8" (80)	\$95.04
10" (115)	\$136.62
12" (155)	\$184.14

- (3) The Water Commodity Charge for Fire Service shall be Basic Commodity Charge per CCF. Usage shall be based upon the volume of water consumed, as measured by metering or as calculated by the City Engineer.

- B. CHANGE OF METER LOCATION OR SIZE. Any person desiring to change the location or size of an existing service shall make application to the Water Division. Charges shall be in accordance with the current City Fees and Charges Schedule.

#### SECTION 6 WATER MAIN INSTALLATION CHARGES UPON CONNECTION

Whenever any person occupying, owning or having an interest in any land adjacent to a street, alley, or easement in which the City has installed or agreed to install a water line to serve said property applies for a service connection, they shall pay to the Water Department of the City, at the time of making said application, a water main installation charge which shall be computed on the basis of the length and size of the main installed in said street, alley or easement abutting or adjacent to said property.

Said water main installation charges approved in accordance with the current City Fees and Charges Schedule, shall be assessed in addition to the service and meter charges specified elsewhere.

The computation of the footage charges shall be based upon the length of all the boundary lines of said property abutting to/adjacent to said street, alley or easement in which any water main, line or other facility is installed for the transmission or distribution of water.

#### SECTION 7. INTERPRETATION OF RESOLUTION

At the discretion of the Finance Director and after due investigation of the facts and circumstances, any and all of the above charges may be adjusted or waived to facilitate and preserve the true intent of this resolution.

#### SECTION 8. GENERAL FUND ADVANCES

The Finance Director is authorized to record all amounts budgeted to be transferred to the General Fund including, but not limited to, direct staffing charges, administrative fees and charges in lieu of franchise and property tax assessments otherwise assessed against investor-owned utilities, and for any reason cannot be transferred to the General Fund within the budgeted year as advances from and owed to the General Fund and shall be repaid, with interest at the City earnings rate, at a time when, in the opinion of the Finance Director, water fund resources are adequate to repay General Fund advances.

- H. DAMAGE. Except as determined by the Finance Director, the customer of record shall be liable for any damage to a meter, including the breakage or destruction of locks, glass, curb stops or other property of the City water system. The property owner shall be responsible for damages in the event the customer is a tenant and does not reimburse the City for damages. Water service shall be discontinued until the City is reimbursed in full for all damages and costs associated with collection of damages.
- I. SECOND READINGS. A separate charge may be assessed to the next billing for customers requesting second readings, or rereads, if the original reading is found to be correct. Charges shall be assessed in accordance with the current City Fees and Charges Schedule.
- J. WATER LINE LOCATION SERVICE. A separate charge, based upon actual costs, will be assessed for persons requesting that the City locate and mark a water line so that they might make a connection to it for their own construction purposes.
- K. ANNUAL BACKFLOW INSPECTION. A separate charge, based upon actual costs, will be assessed for the annual inspection of each registered backflow protection device if the City actually performs the inspection and issues the certification.

### SECTION 3. LIFELINE RATE

- A. Notwithstanding any of the rates contained herein, there shall be established a Lifeline rate formula as follows:
- B. Persons who have qualified for exemption from the Utility User's Tax, as defined by the Mayor and City Council, shall automatically qualify for the Lifeline rates as defined herein.
- C. Lifeline customers shall be charged the current applicable tiered residential water commodity rate for actual water usage. There shall be no fixed customer charge for persons who qualify for the Lifeline rate.

### SECTION 4. BILLINGS AND DELINQUENCIES

- A. BILLINGS. Consumers shall be billed on a regular basis but not greater than bi-monthly.
- B. WATER BILLS DATE DUE. All water bills shall be due and payable on the billing date shown on the bill and shall be delinquent at twelve o'clock midnight on the thirtieth (30th) day following the bill date.

A late payment charge, in accordance with the current City Fees and Charges Schedule, shall be assessed to accounts remaining unpaid after the 30<sup>th</sup> day following the bill date.

- C. **TURNING ON and OFF WATER.** If any water bill remains delinquent thirty-five (35) days following the bill date, the water service shall be turned off forthwith and service shall not be restored until all charges have been paid. Charges shall be assessed in accordance with the current City Fees and Charges Schedule.
  - (1) **Payment Extensions.** In case of hardship, the Finance Director may authorize restoring service, an extension of the payment date, or arrange payment terms in order to restore service.
- D. **CHANGE OF ADDRESS.** New water service shall not be started at any new address until all delinquent charges owing at the former place of residence or business within the City are paid.
- E. **NEW ACCOUNT SET-UP CHARGE.** Charges shall be in accordance with the current City Schedule of fees and Charges.
  - (1) **Name change:** A separate charge, in accordance with the current City Fees and Charges Schedule, shall be assessed and added to the next regular billing for service transferred from one member of a family to another, or from one roommate to another, or to change the billing name on the account.
- F. **RETURNED CHECK CHARGES.** A separate charge, in accordance with the current City Fees and Charges Schedule, shall be assessed and added to the account for all checks returned unpaid by the bank.
- G. **TERMINATION OF SERVICE.** Charges shall be assessed in accordance with the current City Fees and Charges Schedule.
  - (1) Delinquent: Unless a customer requests termination of service and closes the account prior to the turn-off for delinquency, the charges provided for herein will be added to the account for collection. If this same customer requests that service be reinstated, the customer shall follow all procedures for a new account turn-on and pay all charges owing on the delinquent account.
  - (2) Additional: In addition to voluntary and delinquent terminations, the City may also terminate service when, in the City's reasonable opinion, it is determined an account was opened using false information, has another utility or any other unpaid charge owed to the City, or otherwise has misrepresented themselves to the City.



SECTION 9. REDEVELOPMENT AGENCY ADVANCE

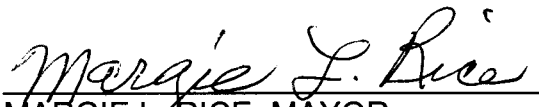
The Finance Director has recorded funds advanced to the City's water utility from the Redevelopment Agency for the system improvements, in the amount of \$4 million dollars. The funds will be repaid, along with interest accrued at the City's cost of funds, at a future time. Repayments are scheduled in the budgeted amount of \$400,000 annually, including interest at 4.95%, through fiscal year 2010, with a residual payment of \$148,654 in 2011.

SECTION 10 EFFECTIVE DATE

Rules, regulation, fees and charges set forth in the Resolution are to be effective on January 1, 2008.

PASSED, APPROVED AND ADOPTED this 12<sup>th</sup> day of December 2007, by the following vote:

AYES: COUNCILMEMBERS: RICE, QUACH, FRY, MARSH, TA  
NOES: COUNCILMEMBERS: NONE  
ABSENT: COUNCILMEMBERS: NONE

  
MARGIE L. RICE, MAYOR

ATTEST:

  
MARIAN CONTRERAS, CITY CLERK

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF WESTMINSTER )

I, MARIAN CONTRERAS, do hereby certify that I am the duly appointed City Clerk of the City of Westminster, and that the foregoing resolution was duly adopted at a regular meeting of the Mayor and City Council of the City of Westminster held on the 12<sup>th</sup> day of December 2007.

  
Marian Contreras  
City Clerk